INITIAL STATEMENT OF REASONS

a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Section 63-300.4

Specific Purpose:

This section is being amended to include references to added and renumbered subsequent sections relating to waiving the face-to-face interviews.

Factual Basis:

Assembly Bill (AB) 231 (Chapter 743, Statutes of 2003) provides the ability to waive face-to-face interviews for applicants. The modification of this section directs the reader to the appropriate subsequent section for application of this rule.

Section 63-300.42

Specific Purpose:

This section is being adopted to include the initial screening process that the eligibility worker must conduct in order to waive the face-to-face interview.

Factual Basis:

AB 231 (Chapter 743, Statutes of 2003), instructs the county eligibility workers to screen applicants upon application and recertification to see if the applicant meets the criteria for a waiver of the face-to-face interview process.

Sections 63-300.43 through .46

Specific Purpose/Factual Basis:

These sections are being renumbered to maintain uniformity and consistency within the Manual of Policies and Procedures.

Section 63-504.1

Specific Purpose:

This section is being amended to reflect the addition and renumbering of subsequent sections required to implement transitional food stamp benefits.

Factual Basis:

AB 1752 (Chapter 225, Statutes of 2003) and AB 231 (Chapter 743, Statutes of 2003) amend Section 18901.6 of the Welfare and Institutions Code, which establishes transitional food stamp benefits. As a result, regulatory language must be added, and existing regulatory language must be renumbered to maintain uniformity and consistency. Those changes are reflected in this section.

Section 63-504.123(b)

Specific Purpose:

This section is being amended to reflect the addition and renumbering of subsequent sections required to implement transitional food stamp benefits.

Factual Basis:

AB 1752 (Chapter 225, Statutes of 2003) and AB 231 (Chapter 743, Statutes of 2003) amend Section 18901.6 of the Welfare and Institutions Code, which establishes transitional food stamp benefits. As a result, regulatory language must be added, and existing regulatory language must be renumbered to maintain uniformity and consistency. Those changes are reflected in this section.

Section 63-504.13

Specific Purpose:

This section is adopted to incorporate changes regarding the new statutory requirements establishing transitional food stamps.

Factual Basis:

This section is necessary to adopt into regulations AB 1752 (Chapter 225, Statutes of 2003) and AB 231 (Chapter 743, Statutes of 2003) which became effective on August 9, 2003 and October 9, 2003, respectively. AB 1752 adds Section 18901.6 and AB 231 amends Section 18901.6 of the Welfare and Institutions Code that establishes transitional food stamps. AB 1752 adopts provisions in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, Section 4115 (Farm Bill) that gives states the option of providing transitional food stamp benefits.

Section 63-504.131 et seq.

Specific Purpose:

This section is adopted to establish criteria for transitional food stamp eligibility, in accordance with new statutory requirements.

Factual Basis:

This section is necessary to adopt into regulations AB 1752 (Chapter 225, Statutes of 2003 and AB 231 (Chapter 743, Statutes of 2003) which became effective on August 9, 2003 and October 9, 2003, respectively. AB 1752 adds Section 18901.6 and AB 231 amends Section 18901.6 of the Welfare and Institutions Code that establishes transitional food stamps. AB 1752 adopts provisions in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, Section 4115 (Farm Bill) that gives states the option of providing transitional food stamp benefits.

Section 63-504.132

Specific Purpose:

This section is being adopted to indicate the commencement for eligibility for transitional food stamp benefits.

Factual Basis:

This section is necessary to adopt into regulations AB 1752 (Chapter 225, Statutes of 2003) and AB 231 (Chapter 743, Statutes of 2003) which became effective on August 9, 2003 and October 9, 2003, respectively. AB 1752 adds Section 18901.6 and AB 231 amends Section 18901.6 of the Welfare and Institutions Code that establishes transitional food stamps. AB 1752 adopts provisions in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, Section 4115 (Farm Bill) that gives states the option of providing transitional food stamp benefits.

Section 63-504.132(a)

Specific Purpose:

This section is being adopted to indicate the calculation of transitional food stamp benefits that a household is entitled to upon termination in the CalWORKs program.

Factual Basis:

This section is necessary to adopt into regulations AB 1752 (Chapter 225, Statutes of 2003) and AB 231 (Chapter 743, Statutes of 2003) which became effective on August 9, 2003 and October 9, 2003, respectively. AB 1752 adds Section 18901.6 and AB 231 amends Section 18901.6 of the Welfare and Institutions Code that establishes transitional food stamps. AB 1752 adopts provisions in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, Section 4115 (Farm Bill) that gives states the option of providing transitional food stamp benefits.

<u>Section 63-504.132(a) (Handbook)</u>

Specific Purpose:

This handbook section is necessary to further define how transitional food stamp benefits shall be determined.

Factual Basis:

This handbook section is necessary to ensure that the application and calculation of benefits is uniformly and correctly applied in accordance with provisions in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, Section 4115.

Section 63-504.132(b)

Specific Purpose:

This section is being adopted to indicate the certification period for transitional food stamp benefits.

Factual Basis:

This section is necessary to adopt into regulations AB 1752 (Chapter 225, Statutes of 2003) and AB 231 (Chapter 743, Statutes of 2003) which became effective on August 9, 2003 and October 9, 2003, respectively. AB 1752 adds Section 18901.6 and AB 231 amends Section 18901.6 of the Welfare and Institutions Code that establishes transitional food stamps. AB 1752 adopts provisions in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, Section 4115 (Farm Bill) that gives states the option of providing transitional food stamp benefits.

Section 63-504.132(c)

Specific Purpose:

This section is adopted to instruct counties of noticing requirements when there is a change in the household's certification period.

Factual Basis:

This section is necessary to adopt into regulations AB 1752 (Chapter 225, Statutes of 2003) and AB 231 (Chapter 743, Statutes of 2003) which became effective on August 9, 2003 and October 9, 2003, respectively. AB 1752 adds Section 18901.6 and AB 231 amends Section 18901.6 of the Welfare and Institutions Code that establishes transitional food stamps. AB 1752 adopts provisions in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, Section 4115 (Farm Bill) that gives states the option of providing transitional food stamp benefits.

<u>Section 63-504.132(c) (Handbook)</u>

Specific Purpose:

This handbook section is being added to further clarify the certification period, and to inform the counties of the requirement of the household to reapply should the household wish to continue receiving regular food stamp benefits.

Factual Basis:

This section is necessary to ensure the correct application of the Farm Security and Rural Investment Act of 2002, Public Law 107-171, Section 4115 (Farm Bill).

Section 63-504.132(d)

Specific Purpose:

This section is being adopted to inform counties of the requirement to send timely notice to the household prior to the expiration of transitional benefits.

Factual Basis:

This section is necessary to adopt into regulations AB 1752 (Chapter 225, Statutes of 2003) and AB 231 (Chapter 743, Statutes of 2003) which became effective on August 9, 2003 and October 9, 2003, respectively. AB 1752 adds Section 18901.6 and AB 231 amends Section 18901.6 of the Welfare and Institutions Code that establishes transitional food stamps. AB 1752 adopts provisions in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, Section 4115 (Farm Bill) that gives states the option of providing transitional food stamp benefits.

Sections 63-504.14 through .17

Specific Purpose:

These sections are being renumbered due to the inclusion of regulatory language in order to implement transitional food stamp benefits.

Factual Basis:

These sections are being renumbered to maintain uniformity and consistency within the Manual of Policies and Procedures.

b) <u>Identification of Documents Upon Which Department Is Relying</u>

AB 1752 (Chapter 225, Statutes of 2003) AB 231 (Chapter 743, Statutes of 2003) Farm Security and Rural Investment Act of 2002, Public Law 107-171, Section 4115

c) Local Mandate Statement

These regulations do impose a mandate upon local agencies, but not school districts. There are "state-mandated local costs" in these regulations, which require federal and state reimbursement due to increased administrative costs under Section 17500 et seq. of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

d) Statement of Alternatives Considered

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

e) Statement of Significant Adverse Economic Impact On Business

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.